

# ZIONSVILLE TOWN COUNCIL MEETING MINUTES FOR MONDAY, OCTOBER 18, 2021 AT 7:30 A.M. ONSITE MEETING 1100 West Oak Street

This meeting was conducted onsite. All Councilors participated in person. The public attended via Zoom and in person.

Council Members Present: Josh Garrett, President; Jason Plunkett, Vice-President; Brad Burk, Alex Choi, Joe Culp, and Craig Melton

Council Members Absent: Bryan Traylor

Also Present: Heather Willey, Town Council Attorney; Greg Guerrettaz, Financial Solutions Group; Amy Lacy, Municipal Relations Coordinator; Mayor Emily Styron, Deputy Mayor Julie Johns-Cole and Town Department Staff.

### 1. OPENING

The meeting was called to order at 7:30 a.m.

Garrett Please join me for the Pledge of Allegiance.

All Pledge.

# 2. <u>APPROVAL OF THE MEMORANDUM OF THE OCTOBER 4, 2021</u> <u>REGULAR MEETING</u>

Garrett We have the approval of the memorandum of the October 4, 2021 regular

meeting. A copy has been posted. Councilors, any questions? I'll make a motion

to approve then.

Burk Second.

Garrett Second from Councilor Burk. All in favor?

All Aye.

Garrett All opposed?

[No response.]

Garrett The memorandum of the October 4 2021 regular Town Council meeting is

approved by a vote of 6 in favor, 0 opposed.

# 3. REQUEST TO SPEAK ON AGENDA ITEM

Garrett: Amy, anyone on the requests to speak?

Lacy No, we have no requests.

# 4. MAYOR/ADMINISTRATION UPDATE

Garrett Any mayoral administration updates today?

Lacy No updates today.

# 5. OLD BUSINESS

# A. Consideration of the 2022 Budget for the Town of Zionsville, Indiana Ordinance 2021-11

Garrett Old business. We have consideration of the 2022 Budget for the Town of

Zionsville, Indiana. This is ordinance 2021-11. Tammy and Greg, the floor is

yours.

Havard Council President, Council Members. Today, we are having the adoption

consideration for the 2022 budget. Just to go briefly over the timeline, the Department started meeting in June and July of this year and on July 14 met with the Council Members to present their ideas for the 2022 budget. In August, the departments also met with Council and finance and their counsel liaison. On September 20, we had Greg Guerrettaz here, our financial consultant, discussing the revenue situation at the Council meeting. On September 28, we had a budget workshop that was available for the public as well as Council and on October 1, we also had another budget workshop. On October 4, we presented the balanced

budget at the Council meeting and then today October 18 is the adoption consideration. I'm here and Greg is here to answer any of the questions that you

may have.

Garrett Councilors, questions? I guess I'll start out. Tammy, from your perspective as we

look at today and I know you sent over some information Friday so thank you. What is the current fiscal health of the town? Is it healthy, is it treading water here, are we trending the wrong way, right way? Can you sort of give a macro

update on your opinion?

Havard

Yes, and I can let Greg speak as well. But, we do have cash balances available. We have a rainy day fund that is funded at a million dollars and so, the budget that we presented again was balanced with the revenues and the expenses and that's maintaining the current service level as well as giving the staff a 4% increase and so I would say that the Town of Zionsville is in good fiscal health at this time.

Guerrettaz

Yes, I agree with Tammy. It's in good fiscal health. You do have challenges. As I'm looking out in the sustainability and putting that model together. As soon as we get the 2022 budget, we can kind of go from there but you have significant challenges over the next three to five years. There's no doubt about it. So, like I indicated very early on, with the monthly finance meetings and those type of things, hopefully I call it heading towards the brick wall. You don't hit the brick wall; you want to tap it or go around it. Hopefully, go around it. And, that's what we kind of guide through over the next 12 months. Technically, I like to say in January you start the 2023 budget.

Choi

So, one of the things is, is I kind of called around to other communities around the metro area is these challenges are not unique to us. These are significant budgetary challenges. This is community-wide across a lot of other communities within the metro area. Is that correct?

Guerrettaz

And, I would agree. And this has been one of the most intense budget seasons I've ever done, and I've done a few of them. And, so, from city, town, county, you name it, it is a challenge. And, part of it was, you know, you had a little more challenge because your income taxes went down. Some went up slightly. But, the COVID impact and the lingering issues there made it tough, made it a very tough year. So.

Choi

As far as the—I did call around to other communities and, as far as our increase of 4% for our, this is just to the rest of the Council, to the other increase to our employees, other communities did it a little differently but they did other similar things as well so we're not out of the norm, some did more increases last year and are doing less this year, some did similar increases to us, less last year and more this year. But, everybody did something along the same lines. We're not out of the norm in that aspect either.

Guerrettaz

You're absolutely not. I've got several 16, you know, I've got several 6%, I've got a lot of 4s, 5s, I've got counties that are having to structure up 16 for law enforcement. So.

Garrett

And I think we talked about this last time but I'm a little slow at times. So, when we approved this budget, most everything was in the general fund and it's—are the spending within the general fund then limited to the category, subcategory or the actual fund itself? In other words, if we find ourselves in a situation where we need more office supplies, do we have to reallocate that or is it just movable because it's all in the general fund?

Havard

No. So, when the budget is approved, the budget is approved for the category, the department and the fund.

Garrett Got it.

Havard And, then, at the end of the year or during the year, the budget transfers can be

made and that requires Council approval.

Garrett Got it. Thanks, Tammy.

Burk As we incur, as we consider these expenses, I fully support the staff

compensation. As we've articulated in the past, we know they kind of did without a little bit last year. It's been a rough go. We've gotta make sure we're hiring and keeping good employees for the city. Given your cautionary comments about the next three to five years and not hitting that wall but going around it, I know we've got a balanced budget, should we be more conservative in terms of holding back some dollars or do you feel like that's just something

that will work itself out through 2023, 2024?

Guerrettaz No, I don't think we should—I think we're right where we need to be. And, and,

hopefully, the revenue will go back to, we experience a 4% increase in property taxes and we experience a 3-4% increase in income taxes. Remember, I told you early on that would have been a million million to one in a normal year, okay? So, let's get back to a positive normal year and then we're heading in the right direction, okay? And, then I said, we'll look at a lot of other things over the next 12 months trying to, akin to looking under every rock and kind of seeing what we've got under there and if there's a, maybe a little different way we want to do

it in the future.

Burk So, you think that most of this will just be worked—ideally, would be worked out

just through the market adjustment in terms of dollars coming in?

Guerrettaz Through conservatism and market adjustments, Yes. The floodgate will not open

up, you know. There's no way. So, I don't think it would come back that quick.

Burk Appreciate it.

Garrett Greg, the sustainability report, when that will be something that it is solid enough

that it is actionable from an administration and Council level in terms of changes that may want to be made and understanding the short- and long-term impacts of

those changes?

Guerrettaz I guess I'm hoping that if we get through today that over the next 30 days—I told

you, we've got a good draft. It's 160 pages. There's all kinds of information in there about the debts, the assessed valuation, the tax rate and all the trends there let alone the detail on the, on the funds, the different funds. So, that's what I'm

expecting.

Garrett And, speaking of funds, Tammy, we've got that the COVID money basically and

I didn't see that in the cash balance on the spread sheet you sent. Is that

somewhere else or am I not understanding the--

Havard So, on the cash balance spread sheet that is for the funds that we are talking about

today.

Garrett Okay.

Havard If you look on the non-appropriated spread sheet, no it's not on here, so Fund

176, it's 3.2 million dollars.

Garrett Okay. And, then, as I look at these cash balances—and I appreciate you putting

that together—my understanding, it's not like, government is not like a business where you're getting money monthly. You kind of get lump sums all upfront.

Havard Correct, correct.

Garrett So, if we're sort of looking at an accumulative cash balance of, in this case, call it

29 million dollars, we still have to use that cash through the rest of the year for

all expenses. Is that a true statement or no?

Havard So, these cash balances—when you appropriate a budget, it's separate than the

cash balance. So, you might have a larger/smaller cash balance than what is actually appropriated. So, in the case of the general fund, we have cash balance and you have a budget. Some of that cash balance, you're not expected to touch at all and so, these are not how much we are going to spend. This is just how

much money is over in the bank.

Garrett Yes, and I appreciate that. I guess I'm looking at, how much do we have left to

spend through the end of the year to sort of get a sense of what free cash is

available.

Havard So, property taxes come in twice a year, June and December. So, these cash

balances do not count that second half of property tax distributions. So, we would be in better shape probably than what these cash balances will end, probably with

more money.

Garrett And again just sort of wrapping business to government, would the June, I'm

sorry, would the December distribution of taxes from property taxes, should that be considered 2021 monies or should that really be considered 2022 monies because it's so late in the year and you've got to use it to get through the next

June?

Havard So, they would be 2021 dollars. So, basically, the property taxes that we received

in June, so through June would be about half of the property taxes that we would expect the next settlement in December. And, as Greg mentioned, when we were going through the budget process, we look at that 18-month budget taken into

account the December settlements that we're going to get in.

Guerrettaz But, it does, it does have to float you in a sense, you know into the six months of

next year and we definitely don't want Zionsville to get into where they have to

borrow in anticipation of taxes and--

Garrett No payday loans.

Guerrettaz That's what a lot of people have had to do over a period of many years.

Garrett

No, we don't want to do that. I agree with that. Other questions, Councilors?

Plunkett

Where do we, as we start going through this, if we, so in my meeting with the, the with you guys and the fire fighters, there was a staffing calculator completed that showed we needed 11 new fire fighters. And, that the immediate essential gap need over the next 18 months-ish was another 7. I was under the impression when I left that meeting, my notes show that we were going to include two and then go back next year for additional fire fighters. Are there two new fire fighters in this, in this budget?

Havard

No, there are no new staff included in the town-wide budget. And, the, we talk about hiring two at a time or three at a time that's per the sustainability to be able to sustain those people within the budget. When we had that meeting we had not yet received the local income tax revenue decrease information. So, in order to achieve the balanced budget, we could not include those additional staff in that line.

Plunkett

So, from that meeting, the seven additional staff, seven additional staff were essentially required to operate trucks, right? So, because we've got four companies, they need four people, there are three shifts, you know, four companies, two people per unit and then an additional one-person unit, it came out with the, including rover calculations, gap collections and so on and so forth, came out to an additional need for seven. The, my concern is with conversations with multiple members of the Fire Department that without those folks we have an issue not being able to operate trucks, services not being provided for the Town. And, I would like to know, obviously we can stagger this right? So, we'd need about 700,000 dollars probably for all seven. We could stagger this out over the next year so we wouldn't need all of it. I'd like to know, how we, how we address that.

Styron

Thank you, Councilor. You are right that we have needs in the Fire Department. But there are a variety of different ways that we can explore meeting those needs. Our desire at this point is to look at an early retirement offering and package because some of those gaps accrue because of the time off that certain fire fighters have available. It's not exactly a numbers game as much as it is an opportunity to recalibrate the schedule with some folks who may look at a retirement option as advantageous to them and then hiring new folks in their place. So, when we're ready to really get a staffing plan that takes into account what the actual problem is, we'll bring something back to you but we're not ready to do that during this budget.

Garrett

Yes, Mayor, real quick and I appreciate you coming today. Is that a police statement as well potentially? Because I've had similar conversations of a concern—Tammy made the mention of, of maintaining service levels and that's a priority to me, too, certainly as you drive around Zionsville and see how much growth is going on, you start, I start wondering how can you maintain service levels if you aren't adding people but we're adding so much in population. So, is that an opportunity? I know we're going to lose someone to the schools in the fall.

Styron

Yes, definitely, we want to use data to inform our decisions. More people doesn't necessarily mean that we need to add the same level of individuals to any of our departments. I would say Planning is probably the department that needs more people than anyone else based on all that growth. But, we are definitely talking with the Police Department at the same time. They don't have a strategic planning effort going on the same way that that Fire Department does, so their, the information that we need to use with the Police Department is going to need to be a little bit more informed but definitely Chief Spears will make sure we know when we're in a place, heading towards a place where we need to add more team, more to our team.

Melton

So, Mayor, based on what you just said about planning, are we planning to add a planner in this budget as well? Or are we going to come back later in the year because I've, I represented them and that was something that we —

Styron

We are adding one right now.

Melton

So that's taken place, fantastic. Well, we've got one. So.

Styron

Thanks for your advocacy, Councilor. I appreciate that.

Garrett

Is there a sense of timing of all of that? Because I'm, I'm interested in passing today's budget but I'm also interested in quickly readdressing it based on the sustainability stuff you're working on, based on the plan you're working on. You know, as Vice-President Plunkett said, you don't have to hire someone necessarily January 1. You could hire them July 1 and it will only cost you sort of six months of the year. But, I'm worried about staffing even from a morale standpoint, overtime standpoint, safety standpoint for police and fire. So, I'm anxious to start having that conversation again actively. Do you have a sense of timing?

Styron

We, at this point, we've got a strategic plan that has been underway for a while. We're going to wait and see what comes out of that document before we make any permanent staffing decisions and Yes, that's where we are today.

Plunkett

Can I ask where the staffing calculator that was completed by the Fire Department fits within that plan? I mean, if we need them now—I'm just having a hard time wrapping my brain around why if we need them now, we're not making every effort available to do it?

Styron

I don't know that we need them now.

Plunkett

I mean and I'll just say again for Council in communication with multiple individuals at the Fire Department, the concern is—I mean, I'm sensitive to the fact that we want to support existing staff and we want to give cost-of-living adjustments and so on and so forth. There's also something to be said for supporting the existing staff by hiring the people that we need to operate the machinery. So, again, all I have to go off of is what was given to me in the meeting and the meeting says that they need seven people now, 11 people long-term and, even if you hire them now, you're looking at mid-June or mid-year

likely to get onboarded, you know, through the Academy and trained and everything.

Styron Which is why we really need to take a look at that early retirement and see what

that yields us.

Styron So, we'll—you can expect to see something coming forward to you with regard

to this issue but it is not going to be addressed in this particular budget

presentation or discussion.

Garrett Amy, is that something we can get on an upcoming agenda? Just work with the

Mayor and the Deputy Mayor and that way we can have a follow-up on that.

Lacy Yes.

Garrett Because it is, I think it is an active concern by everyone, Mayor and Council

included to make sure we've got adequate staffing levels for all public safety.

Styron Thanks.

Garrett Thank you.

Melton This question is for Greg. So, with the sustainability plan, will that include these

employees that will need to be added potentially or not potentially? Does that

have anything to do with your sustainability plan?

Guerrettaz Sure. At the direction of the Mayor, we'll put in, show a couple different options

more than likely. But, we participated in the call earlier or last week about early retirement and all that so we need some of those details to get worked out. But,

yes it will.

Melton And, then you mentioned the other challenges that we're going to face down the

road. Can you tell us a couple of those again? I don't know if I missed them earlier but, what are, what are two or three of those challenges, those major

challenges so we can mindfully prepare for those?

Guerrettaz Well, I mean, I had Number 1 was getting income taxes to come back.

Melton Well, things that we can, I guess—

Guerrettaz Well, I guess getting people employed and keeping them employed overall from

the County and then remember starting to understand the way that income taxes are divided in Boone County is very, very important. You've also got—I had this information from Tammy. You've got five different assessed valuations in your budget process. And, it is my understanding that those do not grow. I told you about the levy appeal and some things like that that are other tools in the toolbox that I commonly use throughout the state of Indiana. And, those tools seem to be a little less likely here and that's where, you know, I believe, the Council President asked me, "If you were king for a day, what would you change?" and

that might be one of them. And, so, you know, I, we want to look at the

incremental—the Mayor articulated very well. It doesn't necessarily bring in a bigger need but incrementally, every need adds up. So, the division of income taxes is based upon the division of property taxes and if the property taxes—I told you Whitestown's portion grew significantly; yours didn't and so there's a whole schematic design that needs to be looked at there. Okay, and so, that was definitely added in. And, then planning your, your, if, the dilemma of the balanced budget versus strategically utilization of the cash resources for phasing in certain personnel or certain—is a concept we really need to, I like to call it cuss and discuss, you know, because it really needs to be thought out. You know, there are times where you might want to do it. And, there's some times where you might not want to do it. And, we've got to go with the Mayor's direction as we go through the whole thing. But, that's something, you know, I had brought up early on, too. So, there's a lot of—I think we just need to look at this maybe a little different than you've looked at it for the last 20 years and not that it's right, not that it's wrong but let's look at it. And, maybe there's a better pathway for the future. Because, remember, I'm always looking out three to five years. I don't care about last year. I care about where we're going to go because it's going to be significantly different, especially if you're in and around Indianapolis. So, I see it every day. So. And, I put together that list of 10 items that I'd be happy to share with you again. So.

Garrett

Tammy, Councilor Traylor who is not here due to travel, had asked you about postage and promotions and I know you wrote us a detailed explanation but I was wondering since we talked about that at the last meeting, just for the public record, if you could just quickly go over what that was for.

Havard

Absolutely. Sure. So, last year the communications budget did not have a separated out printing and postage line items and there was only a printing line item. So, for 2022, we have it separated out into printing and postage. So, in 2021, we partnered with two publications, *The Current* and *Zionsville Monthly* for our monthly magazines. For 2022, communications would like to produce, design and send this out inhouse which means that instead of paying for two publications we will be paying our own postage for these two annual publications. Other mailings that will cost postage are the four postcards that we plan to send out quarterly to the residents and we have also budgeted for the annual report so that's included in that line item.

Garrett

Thank you. I had asked about sort of the appropriation process. If something changes and you had written back, "Okay." Can you talk a little bit about how that is enforced outside of kind of a gentleman's/gentlewoman's agreement?

Havard

So, that would be dependent on conversations. I think the finance committee would be a good place to discuss that and processes to be able to meet whatever expectation that Council has on that.

Garrett

Got it.

Burk

Tammy, what's the rationale to bring all that communication inhouse? I mean, I feel like when I see both of those publications, pretty much anything that you send them, they publish. They're fairly light on content. It seems like there's plenty of extra room in there. Why would we want to bring that inhouse and

> produce our own piece when we have two private companies that already do that and they seem very open to content?

Havard That would be better addressed by the communications director. So, I can't speak

on that directly.

Havard Yes, so there's a cost to putting that content into those magazines whereas we

can control the dates that it goes out and things like that inhouse to maybe line it

up with our—

Is that equal cost in this particular budget, so you're transferring one group of Burk

spend to inhouse, it doesn't cost anymore to do it inhouse, is that what you're

suggesting?

Havard Yes, the communications budget is flat.

Garrett And, I did the communications budget with Amanda and I walked away feeling fairly comfortable with her plan of attack, the direct access to information for all

departments, Council and the Mayor. So, I thought it was good.

Melton So, Mr. President, Mr. Traylor, Councilor Traylor, asked to strike that from the

budget? Or is that not going to occur?

Garrett Well, if, in order for that to occur, it is not today, right? The first reading we

passed was the budget as presented. If there was a sentiment by this Council to agree with Councilor Traylor's request, I think we would have to maybe do a quick vote on that request in order to sort of do it unanimously because it would then go into the budget that we would vote on. I'm okay with the communication piece myself. I understand Councilor Traylor's concerns. Certainly as we start relooking at staffing needs for police and fire, I would rather staff fire trucks if we need them than send mailers but I do agree on waiting on the sustainability piece of that. So, I'm okay leaving it is because I think there will be some changes that will have to happen as sustainability comes out and as some of these staffing needs come. But I don't know if we need to do it right now. But, that's just my opinion. If everyone else agrees we shouldn't have it, we can certainly

changes? Again, Heather, we can always go back and change—if, in two months it comes out that, you know, that Vice-President Plunkett and I tend to agree with him, if it comes out that we need more police or fire and I think we need more police, if that starts coming out, we can make changes to this budget. We just

strike it and have that extra money. Are there any other questions, comments,

can't move things around the funds. Like we can't move from general to police operating or general to parks or anything like that, correct?

Willey Right. Not without the transfer appropriations which you can do at the end of the year and Tammy, you might want to speak to that specifically just so that I'm

clear. But, you should be able to go back and modify budgets within the broad

budget categories if necessary.

Havard And, you can always do additional appropriations as we have done in the past as well. So, outside of if you wanted to increase a fund or a department within the

fund, then that's an option as well.

Garrett Will those additional appropriations fall under the realm of the sustainability

piece? Because Councilor Traylor last meeting and I tend to agree with him said, "Appropriations in general should go for nonrecurring expense items." If we were backed into a corner and had to do a recurring expense item, will that be

able to apply in the kind of sustainability formula if you will?

Havard So, the sustainability plan is a living document. So, it is updated as we get new

information. If our expenses were to change and we would do an additional appropriation we would absolutely put that into the sustainability plan and then we can go—when we're looking forward, know whether that's a one-time expense or if it's something that has escalated, like if it were additional personnel. So, we would absolutely update that in the sustainability plan so

everyone is on the same page.

Garrett Okay.

Guerrettaz And, that's important because a transfer is one thing. A transfer is usually where

you add a thousand, you subtract a thousand. Additional appropriation, you increase, if you do it in 2022, you increase the 2022 budget. So, that impacts the whole thing. And, then, when we come down next year and do the 1230, the 0630 reconciliation, it's all taken into account, all those additionals and transfers.

So.

Garrett And, Greg or Tammy, supplemental distributions that happen because the

formula was off—I know we got one, I think for the Public Safety LIT, typically

when do those happen in a given calendar year?

Guerrettaz I think I explained to you that the Board of Finance, the State Board of Finance

meets usually in February. They make a, they look at all 92 trust balances and sub-trust balances and then they make a finding usually in April, March/April. And, so, sometimes there's, you know, some things that take a little while from

the Department of Revenue but usually around April.

Garrett Has there ever been a situation where a community owes money, like they were

overdistributed when ---

Guerrettaz Actually, many, many, many five to seven years ago, yes. There was negative

trust balances and there was a concept of makeup and that was, it hurt the current

distribution.

Garrett Got it.

Guerrettaz So, yes, there are negative trust balances in some cases.

Garrett Hopefully not this time.

Guerrettaz I've seen it.

Garrett Councilors, are there any other questions? I don't want to rush through this. This

is a big item, probably the biggest item we vote on. So, I'll just—Craig, are you

good?

Melton I'm just searching the minutes from last time.

Garrett All right. I'll come back to you. Brad, have you got everything answered?

Burk I'm fine.

Garrett Jason, do you need anything else?

Plunkett No, I think, I think again just for Council discussion. My frustration lies in, you

know, the answer is wait for the sustainability plan and we've got a department that puts together an employee need, an actual need to provide the basic services

for the Town and if my house is on fire, I'd much rather have the Fire

Department show up because they've got everybody there. Like Councilor Choi said earlier, he mentioned he can't vote for a budget with an operational deficit. I can't vote for a budget that doesn't provide the basic services to the Town.

Garrett Councilor Culp, any other questions?

Culp Nope.

Garrett Councilor Choi?

Choi No, I still have the same concerns that I expressed in the earlier meetings is that

if we have such a strong need from say the Fire Department that we have these, you know, much to speak to Councilor Plunkett's point, that we need additional people and that it's going to be part of a sustainability plan of reallocating later on, then I have, you know, serious concerns about where that money would come

from.

Garrett Yes, we are sort of on a—I would agree. I'd rather have that information first.

We're sort of on a state-mandated timeline is the only unfortunate thing. But, I do feel that the Mayor will come back to us with what that staffing levels are, input from Fire, Leadership that indicates that there is need for more staffing—I'd rather have more staffing than pay overtime, right because I want to make sure those guy and gals can take time off if they want it. So, this will be an ongoing conversation and not just a, let's kick the can down the road. Craig, did you find

what you're looking for?

Melton Yes I did. I'm going to side with your comment that you met with Promo—not

Promotions but with—

Garrett Communications?

Melton Communications, and it looked satisfactory to you that I won't pursue, I wish

Traylor was here. If Councilor Traylor was here, if he was interested in doing that, but I'm going to go ahead and just side with your comments that you met

with them and you're comfortable with that budgetary item that was supposed to be stricken. And we'll just move on.

Garrett

Well, again, this is a living document so again if we determine in two months that hey, there's other funding needs, the fire report comes out, the police report may come out and we need more officers then we can certainly readdress that or anything in the budget.

Melton

I agree. Employment is, employment is, is, and services are way more of a priority than mailers in my opinion.

Garrett

Right.

Melton

Tammy, do you--one quick question. Tammy, do we have anything lined up, I didn't work with IT but I heard some comments that IT is interested in some extra help as well. Is that something that's swirling or is that something that's not, not being talked about at the moment?

Havard

I mean, we, we are definitely meeting with the departments and understanding the needs and the staffing requests. Again, with the funding being at the level that it is, then we have not had the opportunity to be able to add it into this budget. But, if Council feels and if we feel that there is a significant need for it then that's where the continued discussions and coming before Council and having those conversations will take place in asking for, you know, additional appropriation.

Melton

Appropriations. That's how that will be taken care of?

Havard

Correct. Thank you.

Burk

President Garrett, you had, if for some reason we did not pass this budget, you had kind of articulated and explained what happens from the state's perspective. You want to let the public know what that would be if we were to say we weren't passing this budget?

Garrett

So, if we do not pass any budget, and Greg can keep me honest here, basically the state assigns us a budget based on prior years' spends and kind of eliminates our ability to give input but the bigger thing that happens we don't get the increase in the assessed value revenue. So, instead of it being effectively a flat revenue budget for us, we would be down five or six hundred thousand dollars and then have a budget assigned based on that being down. So, not only do you lose it for that year but you then you start—the next year, your increase is based on that lower amount. So, you've effectively lost that increase in perpetuity. So, it's a bad thing. Anything I missed there, Greg?

Guerrettaz

No, you revert back to last year's and you really will become—a snowball will be on top of you before you know it.

Garrett

And, again, this is not a passing this budget and then we're done with it for a year. You know, I think we can in conjunction with the Mayor as things change, be active participants in—I mean, budgets are kind of a living document, kind of like you talk about the sustainability report being a living document. So, even

> though we're saying we're going to put 7 million dollars in the general fund it doesn't necessarily mean we have to spend it that way. You know, we may make changes, the Mayor may propose changes. We can have that public discussion about the impact of those changes as well.

Burk Yes, I'm confident passing it. I mean, I'm with you that I wish we knew a little

bit more about what was going to happen here in the next three months but we don't have that luxury. No community has that luxury. And, I'm sure we'll be

coming back to this in 2022 to kind of recalibrate a few things.

Garrett Unless there's any other statements, I'll make a motion to adopt Ordinance

#2021-11 which is a consideration of the 2022 budget for the Town of Zionsville,

Indiana.

Choi Second.

Garrett Amy, I will let everyone weight in individually if you can do a roll call vote for

me, I would appreciate it.

Lacy **President Garrett?** 

Garrett Yes.

Vice-President Plunkett? Lacy

Plunkett No.

Lacy Councilor Burk?

Burk Yes.

Councilor Choi? Lacy

Choi Yes.

Lacy Councilor Culp?

Culp Yes.

Councilor Melton? Lacy

Melton Yes.

Garrett Ordinance #2021 is adopted on final reading with a vote 5 in favor, 1 opposed.

# A. Consideration of the 2022 Salary Ordinance for the Town of Zionsville, Indiana

**Ordinance 2021-12** 

Garrett: Next, we have a consideration of the 2022 Salary Ordinance for the Town of

Zionsville, Indiana. This is Ordinance #2021-12. We did talk about this last time. Jo is here if we have any questions for her on this. Any questions on salary

ordinance or comments?

Plunkett Is this—I do have a question, Jo.

Garrett Sorry, Jo. Gotta make you come up.

Plunkett Can you go through, can you go through the process of, some of these positions

have twenty thousand dollar differences between midpoints and maximums and minimums. Can you explain, bless you, how you get from, you know, maybe where they are to a maximum or to a minimum? Is that something you go through or is that something that the department heads consider? How do you get

to those numbers?

Kiel So, you approved bringing everybody to midpoint in August, end of August. So,

everybody is at least to the minimum now and everybody will be at minimum even after we increase the bands to 2.1% so that's a good starting point. People are in various positions. There are some people that are in midpoint now. We want to move people to midpoint through a process as appropriate. First quarter of 2022, we will working with—I will be working with the department heads to create a performance evaluation process. The theory is that the lower people on the scale that perform better would get a bigger increase in 2023 than somebody who is high on the scale and perhaps is not performing as well. That has not been established yet. The 4% increase in 2021 or 2022 will be a flat across the board.

Does that help?

Plunkett Yes and no. I guess the, the, you know, I mean, the, for example, I mean you've

got, you know, public information officer at 66,000, low point 58, high point 75. Is that a decision to go to that 75, is that through the process that the department head would go through, is that with you, does that come back to us? Is it an

arbitrary decision made by someone?

Kiel Oh, it certainly isn't arbitrary. The scales were created, the minimum, midpoint,

maximum were developed by our consultant based on all the information from market and neighboring towns and that kind of thing so that's where people are in that position. Here it would depend on performance, perhaps what else they bring to the position but the increases would not be arbitrary, they would be bound by budget, bound by performance. We haven't created that exact process yet and it won't be the department head by themselves. It'll be the Mayor, it'll be myself, it'll be the department head certainly informing on that. We will also want to, when we create the performance evaluation, we will want to make sure

that it's in line with all the best practices that are going on today.

Burk This is almost the identical process I use in my organization. Jason, a lot of it is

tenure, so getting people a chance to grow and feel like they haven't maxed. If you put someone at the max, there's nowhere to go, then they may be looking for

another job.

Kiel Right. And, you know, the other side of that is, there are some positions that this

is the maximum for that position and you need to be promoted or you need to, you know, move through some other process. Or, be content in the fact that this is a, you know, 60,000 dollar position and I'm going to get an increase every year or maybe a small bump every year but I'm not going to make, you know, 20,000

dollars more than I make.

Plunkett Yes, thanks. I just wanted to better understand the process.

Melton Councilor Plunkett, is it, like you're asking so, if somebody gets a 20,000 dollar

raise, does it come to the Council or, is that what you're asking?

Plunkett Well, my understanding is that it would be done through salary ordinance to the

budget. I mean, it's not like you're going to just arbitrarily make the decision –

Kiel So, again, the Council approved the bands. And, what individuals actually earn

would be taken care of through the budget. Therefore, you do have a say in that.

But, --

Melton Midyear, midyear, if there's deemed a raise of 20,000 dollars, where does that

come from if the budget was already set? So, we approved the bands, but we

haven't approved that raise, that specific raise for, say 2022?

Kiel So, I know that's an extreme example because there's not, nobody's department

has an extra 20,000 dollars in compensation to spend—

Plunkett That's exactly right.

Kiel Yes, so if that was the case, we would have to come to you to approve that.

Melton So, --

Kiel But, in theory, if there was a shakeup in the department and there was extra funds

available and there was a situation where because of certifications or whatever the situation was and that person wanted or needed to get an increase and it was a dollar an hour increase and there was space in the department's budget to do that, that could happen, that could take place without coming to the Town Council

because it's within the existing budget.

Garrett And, Craig, this sort of goes again to the question I asked Tammy earlier about

things are in the fund department in category level. So, and this is kind of a ridiculous example but, you know, the Mayor has a budget for salary, right? And that's in General, Mayor, personal services. If there was a sudden raise, you couldn't take it from the promotions budget because that's General, Mayor, services and charges to move between those or what Tammy told us, would have

to come back to Council and say, "Well, I want to give a 20,000 dollar raise from

promotions but need to move it into the salary bucket; therefore it is switching categories and that requires reappropriation."

Melton Town Council.

Garrett Yes, correct. And, to Jo's point, given the budget, there's no like excess salary

and wages just sort of sitting around waiting to be used.

Melton So, you mentioned the process that you would need to finalize with the Mayor

and the department heads, is that regarding raises, giving the raises?

Kiel It's really the methodology and how we as a group want to move through those

bands and how that works with performance evaluations because it needs to be

tied to performance.

Melton Thank you.

Garrett Any other questions for Jo while she's out here? All right, I'll make a motion to

approve the consideration of the 2022 Salary Ordinance for the Town of

Zionsville on final reading. This is Ordinance #2021-12.

Melton Second.

Garrett Second from Councilor Melton. All in favor?

All Aye.

Garrett All opposed?

[No response.]

Garrett Ordinance #2021-12 is adopted on final reading with a vote of 6 in favor, 0

opposed.

## 6. <u>NEW BUSINESS</u>

# A. Zionsville Volunteer Fire Department Grant Agreement to Town of Zionsville in Dissolution of Zionsville Volunteer Fire Department

Garrett: We have one new business item. This is the Zionsville Volunteer Fire

Department Grant Agreement to the Town of Zionsville and dissolution of Zionsville Volunteer Fire Department. Andy, are you—there you are, Andy.

Buroker Good morning, Mr. President, members of the Council. My name is Andy

Buroker. I'm an attorney at Faegre Drinker. With me is Brian Miller, the current president of the Zionsville Volunteer Fire Department, Inc., a long-time Board member and President and a fire fighter. I'm here this morning just to describe to you the grant agreement and what that means and why we're doing this in connection with the dissolution of the Zionsville Volunteer Fire Department and

Brian is here to answer questions and provide any information back that you

need. I'm not sure how much involvement you've had with this so I just wanted to give brief background and would be happy to answer questions.

Garrett

That would be helpful, thank you.

Buroker

So the ZVFD was incorporated on August 27, 1958. So, it's been here and servicing the Town for a long time. The ZVFD, the Volunteer Fire Department was the sole provider of fire and public safety services, ambulance services for the town until 2004. It was purely a volunteer-driven Fire Department. That's not uncommon in Indiana. There's still a number of volunteer fire departments. It was commonly done for decades if not over a century in Indiana, in communities all over. The ZVFD raised funds for training. It bought equipment. It provided scholarships. It provided bereavement funds to widows and families of fire fighters who were injured or killed in the line of duty. It held its awards dinner and the annual pancake breakfast as many of you know. The town's full-time professional Fire Department started planning in 2004 to create or establish a full-time fire department which you have today. And that, really become fully functional and established in 2007. I was the Town Attorney for 13 years from 2000 to 2013, underwent and saw that process from the Town's perspective, worked with Chief VanGorder and Deputy Chief Miller during that time and was involved in financing the fire stations and buying equipment and those kinds of things, so one of the reasons I'm involved here because I have a history with that process.

As a result, the ZVFD stayed in existence. It entered into a service agreement with the Town every two years since 2009 to continue to provide and function and provide services to the Town. Primarily, it continued to provide ambulance services, HAZMAT and spill cleanup, billing services for ambulance runs and provided and rented equipment and vehicles to the Town and Fire Department that the ZVFD still owned. The ZVFD importantly held the Medicare and Medicaid provider license as the authorized billing entity for ambulance services for the Town as the Town did not have this license and chose not to have it and it was convenient for the ZVFD to continue that. The ZVFD was also listed as the insured owner of the equipment and vehicles that it owned and that the ZVFD utilized. It paid for that insurance coverage. That was different insurance coverage than the Town of Zionsville had and obtained. And, so, that worked out as well and it paid the cost for that insurance to keep those under the ZVFD ownership umbrella. Subsequently, under that services agreement, the ZVFD paid annually to the Town a substantial portion of the dollars that it received in providing the ambulance services, doing the billing that it got in return and paid those to the Town annually under those agreements.

Currently, the ZVFD owns 11 fire fighting or ambulance vehicles. It also owns quite a bit of various equipment including scuba gear, AEDs, various fire fighting gear, shipping containers, computers, boots, cots, computer monitors and griddles that it used for its annual pancake breakfast. So, those are listed on Exhibits B and C of the grant agreement as to what vehicles and what equipment that it currently owns and that it proposes to transfer title to the Town and the Fire Department. So, again, they are, the ZVFD is an Indiana nonprofit corporation. As such, they have relatively strict and specific dissolution procedures that it has to follow as a nonprofit corporation to dispose of its assets and to dissolve and to

go through that process as the Town has requested it to do. So, the Board and Members of the ZVFD met and approved a plan of dissolution on February 23, 2021 of this year. We filed articles of dissolution for them with the Indiana Secretary of State and the Indiana Attorney General's office. The grant of the company's assets has to be to another nonprofit or a governmental entity and a document has to be prepared and agreed to in order to convey those assets. Thus, the grant agreement that we prepared and is in front of you in order to comply with state and federal law in conveying title of those assets. The ZVFD since it approved and filed the articles of dissolution February under state law are still in a winding down phase and I'll tell you just a few remaining things that have to happen after this grant agreement is done as it is still winding down as state law provides or allows for it to do.

I just wanted to touch base briefly on a couple points in the grant agreement that you have before you that we have been working with the Mayor's attorney, Amy Newman, and the Town with Heather since February. So, the parties are the Town, the Town Council, and the Zionsville Volunteer Fire Department. You as the Town Council is a party as you are the Town's fiscal body. And, we would like, the ZVFD feels it's important to have you assure the purpose of the grant restriction of both the funds and the vehicles and the assets continue to serve as the sole and exclusive use and benefit of the Zionsville Fire Department. Thus, the funds, the vehicles and the equipment, we would like to continue to be utilized for fire fighting and public safety purposes. There are reps and warranties in the agreement by all three of the parties, fairly limited, much smaller than you would typically see but just to say, "This doesn't violate any of the other agreements that any of you have. We have the power and authority to enter into this agreement." Really, relatively, relatively brief. There was a release from claims by the Town against ZVFD and the volunteer officers, directors and members. Again, since 1958, this entity has been operated by volunteers without compensation for decades, even fire fighters. Again, they were provided equipment at times, training was paid for them at times but again, not compensated as volunteers. So, it's appropriate to have them be released in order to convey those assets. There's indemnification of ZVFD and its officers, directors and members as unpaid volunteers. There is a covenant by the Town to continue insurance coverage of ZVFD as a limited named insured for a period of five years after the grant agreement is signed. We have worked with Todd Settle and the Town's insurance agent and underwriter to provide that. There's no cost to continue that coverage. So, that is a commitment to do that.

We will terminate the 2020 services agreement that the Town and the ZVFD have been operating under. That will be terminated as part of this agreement. And, then, the other part is that we will assign the remaining receivables for ambulance billing services that were provided by ZVFD prior to May 1, 2021. Those will be transferred and assigned to the Town. Just on the services provided, I'll give you a brief update. ZVFD ceased providing ambulance and HASMAT spill services on April 30, 2021. The Town and the ZFD assumed providing those services as of May 1. The Town did apply for and obtain its Medicare/Medicaid billing license to perform and receive reimbursements from Medicare and Medicaid for ambulance billing services as you have to be a licensed Medicare provider to do that. The Town also obtained insurance

coverage for the fire assets which it did not previously have insurance coverage over and it obtained that insurance as of May as well.

So, in the final winding down, there are a couple things that President Miller and Jeff Beam as the treasurer still need to do which is file a final Federal and Indiana state tax returns, the 990, which we will do upon, before or by the end of the year. It also has to file a final Medicaid cost report. So, the current assets I gave to you and Heather, I would ask you to distribute those. It's a revised Exhibit A that I got an update from the treasurer, Jeff Beam, yesterday, just to give you an idea of what's being transferred. It's approximately 812,000 dollars in cash. You'll see it's broken down by CPR funds, donations, hazardous materials. There's some ambulance services billings outstanding of about close to 100,000 dollars that we'll get from CIPROMS and will be assigned to the Town and then, the remainder in general fund. This amount excludes 12,226 dollars in fire fighter support funds. Those are in essence bereavement funds that are restricted and were given to the ZVFD for that restricted purpose so we will transfer those to newly created nonprofit entity not affiliated with ZVFD or the Town but called Boone County Fire Fighters Foundation Corp which is sort of union for fire fighters in Boone County. Again, those are bereavement funds for widows and families of fire fighters hurt or killed in the line of duty.

This cash balance does not reflect any CIPROMS payments (those are Medicare/Medicaid payments) that we have received in October or expect to receive in October and there will be a small hold back from the total balance in order to pay the service fee for CIPROMS for October and to finish other remaining legal fees for September and October to complete the winding down. That's the brief summary. I appreciate you allowing me to be here and talk with you or give you that background on that. President Miller and I are both available for questions to respond to anything you might have or that you would like to discuss. Thank you very much.

Garrett

Are there? I mean, volunteers so there's no pension obligation. Are there any other ongoing obligations the Town is taking on in regards to current or past volunteers by assuming the assets of the entity?

Buroker

No.

Garrett Are there any known pending liabilities that we would be taking on?

Buroker

No. And, I've talked with Amy and with Heather about that. I sort of highlighted, right? The remaining claims are really CIPROMS, their billing company that they still have some AR with. Any services, they're providing that service still so there could be a service fee in October. And, then legal fees to finish paying us. There are no disputes, outstanding claims, legally asserted claims. Brian? There aren't any, no.

Garrett

Was the Board unanimous in their vote of the article of dissolution? Okay. Why would we not do this? Is there any reason why? Anything I'm not asking like, you know, there's a, --

Buroker

If you chose not to do it, again as a nonprofit, we would have to find a recipient of both the funds, the equipment and the vehicles. So, whether that would be another governmental entity or a nonprofit, we could get to take that, like the Boone County Community Foundation. But, we have approved the articles of dissolution, the plan of dissolution, we have filed that so the ZVFD is, in effect, dissolved and is in a winding down phase so we have to provide a transfer of these assets to some entity and we prefer they go to you for use by the Zionsville Fire Department today.

Garrett I would prefer that, too.

Garrett This motion is to accept the grant agreement that has been provided to us.

Buroker Yes, you would enter into signing the grant agreement along with the Town, along with the ZVFD. And, the grant agreement in essence, provides that we're

assigning the assets to the Town. Yes.

Burk So, nothing about the dissolution is part of our conversation today. It's really just

accepting the assets.

Willey Correct. And, we did put in some language. I know that there was an initial

concern both of the Mayor and her administration and Jason as Council leadership regarding any outstanding claims, you know, that we may not be aware of, so there is language now in the agreement that the Volunteer Fire Department had to disclose all of the claims prior to execution of the agreement. That's something I know that Amy and Andy worked on, putting, you know, more specifically into the document as well as the continued insurance that Andy mentioned to cover, you know, any claims that we're not aware of. That could come back on the Town. I think that was biggest concern from the outset is what would we be assuming at the Town level that we weren't aware of? And, that, I

think, mitigated against that.

Garrett Do we know what fund these are going into? These going into the general fund?

Is there a fire fighter—

Buroker It should go into the general fund as the purpose is restricted to Zionsville Fire

Department but I will let Tammy and/or others address that as to what that may

go to.

Havard As a grant, then this has to be in a separate fund. So, it will have its own fund

number and be assigned and Council will appropriate it.

Garrett And, do we need to create that fund at some point here in the future?

Havard Yes.

Garrett Okay. Thanks, Tammy. President Miller, is there any—this is outside the scope

of what you're asking us to do but, the Volunteer Fire Department has meant a lot to this community, is there plans with the dissolution of the entity to recognize the entity or the members of the entity in some way or can we help with that to just kind of acknowledge their volunteer service to the community?

Miller

We have, as of last week, started those conversations and are looking to set a date for that. What that is, I can't tell you. I've tried to wrap my head around, how do you appreciate, thank that kind of service—I don't, I don't know. It's, it's a lot and for the members when the vote came, it was emotional. It was a lot for them to let go of, I guess, for lack of better terms. I don't know what you do. I'm open for suggestions. Hopefully, we can wrap some great minds around that and figure out what that is, But—

Garrett Cookies. Everyone loves cookies. Make sure that's part of it.

Miller But, I don't know how you do several decades worth of cookies.

Garrett Well, that's fair.

Burk I'm assuming we have names of all the folks who volunteered over the years. I

picture something with—

Miller We do and one of the things we tried to capture as we made this transition, we

lost some of that over time just because we were so busy in the trenches transitioning from all volunteer to a career department and focusing on a career department, we probably lost sight of some of that. So, one of the things we tried to do, and everything always goes back to COVID, we tried to do, prior to COVID, was we had at least quarterly, we would invite the retirees that lived in the area and some of them would travel, or snowbirds would come back during Florida time, we would have breakfasts at the Firehouse and get out old pictures and spend time with them. That grew pretty quickly. We always did a December dinner that was pretty well favored by the volunteers to come back, tell us how bad we have it now. Quite the opposite of that actually. So, they enjoyed coming back enjoying a meal and just some general conversation but how we, how we continue that, you know, I don't know. There are obviously some significant funds that we're transferring, if we can earmark some of those. The whole purpose of this grant agreement is to make sure that the monies, the assets stay within the Fire Department and can be used with the needs that are determined by the Chief and the executive staff to do that and not just kind of go to a general fund and disappear which, unfortunately, is how some of the volunteers feel as they have kind of disappeared. I know that's pretty harsh. But, you're exactly right. We do need to capture that; you're exactly right. And, how we do that? I don't know. I've been thinking about that as we started this conversation tonight. I don't know what is appropriate because it is a pretty big ask and a pretty big thanks to do. It's an aging group, too as you can imagine. So, as time goes on, we lose more and more members, too.

Garrett Well, if there is anything that Council can do to help either funding or even

recognition in one of these meetings, we're happy to do it.

Miller I appreciate that. We'll certainly try to wrap our heads around that.

Melton Thank you and thank you for your service on that as well as being the president. And, I have a concern as being a Perry Township representative, maybe the

administration can answer this but when we dissolve this Zionsville Volunteer

Fire Department from a service aspect out in Perry Township, for the residents out in Perry, is there a plan, is there—and this may not be for you guys and I understand that—I'm just wanting to make sure that the services that the Volunteer Fire Department have provided out in that rural district are still going to be maintained at the same level as they were with the Volunteer Fire Department.

VanGorder

Thank you, Councilor Melton for the question. I can let you know that Deputy Chief Frost and myself are meeting routinely with Perry Township Board members and the Fire Chief Doug Everette. One of the things the Zionsville Volunteer Fire Department did not have was a dissolution plan leading up to this to prepare them for that. There have been a lot of emotions involved with that regarding how some of the membership feels to this day. So, one of the things that Josh and I have talked about with Doug Everette and Tony Cara was making sure that Perry Township develops a plan that they're comfortable with in preparing for their dissolution. We've talked to them. It also goes hand-in-hand with the Fire Department's strategic planning effort for what does that timeline look like for when that transition would occur but also making sure that Perry Township is talking about that with their members, with those individuals that are involved and help them develop a plan that they're comfortable with so we can do it the right way the next time we have to do this.

Melton Thank you.

Garrett Thanks, Chief. Councilors, any other questions for President Miller or for Andy?

All right, well I'm make a motion to accept this grant agreement to the Town of Zionsville and dissolution of the Zionsville Volunteer Fire Department and thank

them for their service.

Plunkett Second.

Garrett Second from Vice-President Plunkett. All in favor?

All Aye.

Garrett All opposed?

[No response.]

Garrett The grant agreement is accepted by a vote of 6 in favor, 0 opposed.

### 7. OTHER MATTERS

Garrett: Councilors, any other matters today to discuss?

[No response.]

# 8. APPROVAL OF CLAIMS

Garrett: We've got the approval of claims. Any questions on claims as they came

through? I'm the motion man today. I'll make a motion to approve claims.

Burk Second.

Garrett Second from Councilor Burk. All in favor?

All Aye.

Garrett All opposed?

[No response.]

Garrett Claims were approved by a vote of 6 in favor, 0 opposed.

# 9. ADJOURN

Garrett: I'll make a motion to adjourn.

Culp Second.

Garrett Second from Councilor Culp. All in favor?

All Aye.

Garrett All opposed?

[No response.]

Garrett We are adjourned by a vote of 6 in favor, 0 opposed. Next regular Town Council

meeting is scheduled for Monday, November 1, 2021 at 7 o'clock p.m. right here in the Zionsville Town Hall Council chambers. Final notice will be posted in

compliance with the Indiana Open Door Law. Thank you, everyone.

The meeting was adjourned at 8:38 p.m.

Respectfully Submitted,

Amelia Anne Lacy, Municipal Relations Coordinator

Town of Zionsville